



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

May 06, 2002

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Florida Bank, National Association
Charter Number 21734**

**100 West Kennedy Boulevard
Tampa, FL 33602**

**Comptroller of the Currency
North Florida Field Office
8375 Dix Ellis Trail, Suite 403
Jacksonville, FL 32256**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S CRA RATING

This institution is rated Outstanding.

- ❖ FBNA's average Loan-to-Deposit ratio is more than reasonable given the bank's size and financial condition.
- ❖ A substantial majority of loans were originated within the assessment areas.
- ❖ FBNA has reasonable penetration among businesses of different sizes
- ❖ The geographic distribution of loans reflects excellent dispersion throughout the assessment areas.
- ❖ FBNA's qualified investments and services enhance credit availability in the assessment areas.

DESCRIPTION OF THE INSTITUTION

Florida Bank, National Association (FBNA) is headquartered in Tampa, Hillsborough County, Florida. The bank is a subsidiary of Florida Banks, Inc., a one-bank holding company formed in October 1997. FBNA began operation in August 1998 when the holding company acquired the First National Bank of Tampa. FBNA subsequently expanded throughout Florida. There are six branch offices of FBNA located in Jacksonville, Gainesville, Ocala, Largo, Tampa and Fort Lauderdale. Automated teller machines are located at the Largo and Gainesville offices. As of March 31, 2002, FBNA had total assets of \$544 million. Net loans represent 79% of total assets. The bank's primary focus is business lending, which represents 86% of total outstanding loan balances at March 31, 2002. Florida Banks, Inc. is a publicly traded company on NASDAQ (symbol: FLBK). There are currently no financial, legal, or other impediments to the bank's ability to meet community credit needs. For this review, we used an evaluation period from April 1998 through May 2002. As the First National Bank of Tampa, the bank received a Satisfactory rating in March 1998.



DESCRIPTION OF THE BANK'S ASSESSMENT AREAS

- **Duval County - Part of the Jacksonville MSA**

Duval County is in northeast Florida. It is the location of the holding company headquarters and the Jacksonville branch. The county is part of the Jacksonville Metropolitan Statistical Area (MSA #3600). The assessment area consists of the 138 census tracts that comprise Duval County. The assessment area has a total population of 672,971 based on the 1990 Census. There are 178,052 families in the assessment area. Based on the 1990 Census median family income of \$34,276 for the MSA, the census tract designations and family distribution in the assessment area are as follows:

	Census Tracts		Families
Low-Income	13	9.4%	20.7%
Moderate-Income	27	19.6%	18.4%
Middle-Income	64	46.4%	23.6%
Upper-Income	28	20.3%	37.3%
Data Not Available¹	6	4.3%	0.0%
Totals	138	100.0%	100.0%

The assessment area meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income census tracts. The assessment area is justified given there is only one office in the MSA. The Jacksonville MSA covers a very large area and is comprised of Duval, Clay, St. Johns and Nassau counties. It would be unreasonable to expect a bank with one office

¹ Census Tracts where data is not available are typically uninhabited or woodlands.

to adequately serve the entire MSA. Furthermore, banking competition is strong in the MSA with approximately 36 financial institutions operating more than 240 offices. FBNA has .96% of the market share of deposits in Duval County and .77% market share of deposits for the entire MSA.² The Jacksonville office accounts for 23% of FBNA's outstanding loans as of March 31, 2002.

Duval County has primarily a working population with 81% of the population being wage earners. While 13% live below the poverty level, 6% receive public assistance. Ninety percent (90%) of all housing units are occupied, with 56% being owner-occupied. Data from the Department of Housing and Urban Development (HUD) estimates the median family income for the MSA to be \$55,600 for 2002. Like most metropolitan areas in Florida, retail trade and services largely support the local economy. Major private employers include Winn-Dixie Stores, Inc, Blue Cross Blue Shield of Florida and Publix Supermarkets. Jacksonville also has a large military population. Naval Air Station Jacksonville is the third largest employer in the area.

- **Tampa Bay - Part of the Tampa-St. Pete-Clearwater MSA**

FBNA has two offices in the Tampa Bay area, one in Hillsborough County (Tampa) and the other in neighboring Pinellas County (Largo). Tampa is in the western portion of central Florida and is the location for FBNA's headquarters. The assessment area includes both of the aforementioned counties, plus adjacent Pasco County. Together these counties comprise a portion of the Tampa-St. Pete-Clearwater MSA (#8280). The assessment area consists of 397 census tracts with a total population of 1,966,844 based on the 1990 Census. There are 546,429 families in the assessment area. Based on the 1990 Census median family income of \$31,244 for the MSA, the census tract designations and family distribution in the assessment area are as follows:

	Census Tracts		Families
Low Income	16	4.0%	17.8%
Moderate Income	87	21.9%	19.2%
Middle Income	184	46.4%	23.2%
Upper Income	103	25.9%	39.8%
Data Not Available	7	1.8%	0.0%
Totals	397	100.0%	100.0%

The assessment area meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income census tracts. The assessment area excludes Hernando County, the northernmost county in the MSA. The exclusion is justified given its distance from either branch office. Banking competition in the Tampa Bay area is very strong with more than 65 financial institutions operating over 689 offices. FBNA has .47% of the market share of deposits in the MSA. The Tampa and Largo offices account for 40% of FBNA's outstanding loans as of March 31, 2002.

The assessment area has a significant number of retirees. Persons over 65 years of age represent

² Source: FDIC; June 30, 2001

21% of the population; 22% receive retirement income and 37% receive social security income³. Most of these retirees reside in the coastal portions of Pasco and Pinellas counties. Eighty-five percent (85%) of all housing units in the assessment area are occupied, while 58% are owner-occupied. Data from the Department of Housing and Urban Development (HUD) estimates the median family income for the MSA to be \$50,500 for 2002. Retail trade and services largely support the local economy. Major private employers include Verizon (communications), St. Joseph's Hospital and TECO Energy. Tampa is also home to the University of South Florida, a public institution and the third largest employer in the area.

- **Gainesville MSA**

Gainesville is located in the center of North Florida. FBNA has one office in Gainesville. The city is located in Alachua County, the only county that comprises the Gainesville MSA (#2900). The assessment area consists of 28 census tracts with a total population of 181,596 based on the 1990 Census. There are 41,439 families in the assessment area. Based on the 1990 Census median family income of \$31,403 for the MSA, the census tract designations and family distribution in the assessment area are as follows:

	Census Tracts		Families
Low-Income	4	14.3%	23.1%
Moderate-Income	8	28.6%	16.7%
Middle-Income	9	32.1%	19.0%
Upper-Income	7	25.0%	41.2%
Totals	28	100.0%	100.0%

The assessment area meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income census tracts. The assessment area has a significant population (24%) living below the poverty level. The population is also predominantly wage earning (82%). Ninety percent (90%) of all housing units in the assessment area are occupied, while 49% are owner-occupied. Data from the Department of Housing and Urban Development (HUD) estimates the median family income for the MSA to be \$48,100 for 2002. The local economy is largely supported by public entities and services. There are no significant private employers in Alachua County. Gainesville is home to the University of Florida, a public institution and the largest employer in the area. Banking competition is strong given the size of the market. There are 13 financial institutions in Alachua County with 61 offices. FBNA has 3.03% of the market share for deposits in the MSA. The Gainesville office accounts for 10% of FBNA's outstanding loans as of March 31, 2002.

- **Ocala MSA**

Ocala is located just south of Gainesville. FBNA has one office in Ocala. The city is located in Marion County, the only county that comprises the Ocala MSA (#5790). The assessment area consists of 46 census tracts with a total population of 194,833 based on the 1990 Census. There are 57,770 families in the assessment area. Based on the 1990 Census median family income of \$26,089 for the MSA, the census tract designations and family distribution in the assessment

³ These are not mutually exclusive. Some persons may receive retirement and social security income.

area are as follows:

	Census Tracts		Families
Low-Income	1	2.2%	17.9%
Moderate-Income	4	8.7%	19.3%
Middle-Income	33	71.7%	24.0%
Upper-Income	7	15.2%	38.8%
Data Not Available	1	2.2%	0.0%
Totals	46	100.0%	100.0%

The assessment area meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income census tracts. The Ocala MSA, like the Tampa MSA, has a significant number of retirees. Persons over 65 years of age represent 22% of the population, 25% receive retirement income and 43% receive social security income. Ocala is known for thoroughbred horse farms. Of the five assessment areas, the Ocala MSA has the greatest percentage of agricultural enterprises, at 8%. Eighty-three percent (83%) of all housing units in the assessment area are occupied, while 63% are owner-occupied. Data from the Department of Housing and Urban Development (HUD) estimates the median family income for the MSA to be \$41,600 for 2002. Retail trade and services largely support the local economy. Major private employers include Munroe Regional Medical Center, Emergency One, Inc and Wal-Mart. As with Gainesville, the market is small, but banking competition is strong. There are 20 financial institutions operating in the MSA with 76 offices. FBNA has 1.36% of the market share for deposits in the MSA. The Ocala office accounts for 13% of FBNA's outstanding loans as of March 31, 2002.

- **Fort Lauderdale MSA**

Fort Lauderdale is located in south Florida, just north of Miami. FBNA has one office in Plantation, a suburb of Fort Lauderdale. The assessment area consists of the 164 census tracts that comprise Broward County the only county in the Fort Lauderdale MSA (#2680). The assessment area has a total population of 1,255,488 based on the 1990 Census. There are 337,284 families in the assessment area. Based on the 1990 Census median family income of \$36,801 for the MSA, the census tract designations and family distribution in the assessment area are as follows:

	Census Tracts		Families
Low-Income	9	5.5%	19.6%
Moderate-Income	32	19.5%	18.3%
Middle-Income	77	47.0%	22.5%
Upper-Income	42	25.6%	39.6%
Data Not Available	4	2.4%	0.0%
Totals	164	100.0%	100.0%

The assessment area meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income census tracts. As a coastal area, the MSA has a significant retiree population with 21% over 65 years of age. Less than 10% of the population lives below the

poverty level and 35% receive Social Security income. Eighty-four percent (84%) of all housing units are occupied, with 57% being owner-occupied. Data from the Department of Housing and Urban Development (HUD) estimates the median family income for the MSA to be \$60,200 for 2002. Like most metropolitan areas in Florida, the local economy is largely supported by retail trade and services, as well as tourism. Major private employers include American Express Co. and Nova Southeastern University. Banking competition in the area is strong. Approximately 47 financial institutions have more than 406 offices in the Fort Lauderdale MSA. FBNA has .12% of the market share of deposits. The Fort Lauderdale office accounts for 13% of FBNA's outstanding loans as of March 31, 2002.

As part of our examination, we contacted the Director of an organization in North Florida that specializes in providing small business assistance. The discussion indicated a need for more flexible underwriting from banks, particularly for start-up businesses whose owners may have poor personal credit histories.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

To evaluate certain performance criteria, we selected three of the five assessment areas for analysis. Factors for selection included the significance of each office to the total operations, the presence of the bank within each market (based on the market share of deposits) and demographic information. Demographic information included the percentage of the population living below the poverty level, the number of low- or moderate-income census tracts and the concentration of low- or moderate-income families in each assessment area. Based on these factors, we selected Duval County, Tampa Bay and the Gainesville MSA for our evaluation of Lending in the Assessment Area; Lending to Businesses of Different Sizes and the Geographic Distribution of Loans.

❖ Loan-to-Deposit Ratio - Exceeds the Standard for Satisfactory Performance

FBNA's average loan-to-deposit (LTD) ratio is more than reasonable given the bank's size and financial condition. The bank's average LTD ratio over the evaluation period was 89%. The quarterly ratios ranged between 78% and 94%. For comparison, we obtained the quarterly LTD ratios for a selected peer group. The peer group consisted of 40 financial institutions headquartered in Florida with total assets between \$250 million and \$750 million. Data was only available for the peer group from December 1999 through March 2002. The average LTD ratio was 78% with a range between 74% and 78%. For this same time period, FNBA's average LTD ratio was 90%.

❖ Lending in Assessment Areas - Exceeds the Standard for Satisfactory Performance

The bank makes a substantial majority of loans within its assessment areas. This conclusion is based on an analysis of business loans originated during the evaluation period. We sampled a minimum of 20 loans from each of the selected assessment areas. On an aggregate basis, 91% of the total number and 92% of the total dollar volume of loans were originated to business in the assessment areas.

❖ **Lending to Borrowers of Different Incomes and Businesses of Different Sizes - Meets the Standard for Satisfactory Performance**

Given the concentration of business loans in the bank's portfolio, we focused our analysis on lending to businesses of different sizes.

The bank has reasonable penetration among businesses of different sizes. We used the same sample of business loans originated within the assessment areas discussed in the previous performance criterion. We obtained annual revenue information from each loan in our sample. Revenues ranged from \$25 thousand to \$8 million. Our analysis determined that the bank makes loans to businesses of varying sizes within each assessment area, including small businesses (those with less than \$1 million in annual revenues). The conclusions for each assessment area are summarized below.

Loans made in the Duval County assessment area showed a reasonable penetration among businesses of different sizes. Our analysis determined that 40% of the total number and 46% of the total dollar volume of sampled loans were made to small businesses. In comparison, economic data indicates 84% of all businesses operating within Duval County are considered small businesses. The bank's lending to small businesses is low in comparison to the number of small businesses in the assessment area. This is due, in part, to the fact that FBNA's size allows them to make loans to larger businesses. But it should be noted that the dollar amounts of the loans sampled ranged from \$26 thousand to \$3 million. So while the businesses sampled tended to be large, FBNA does make loans in dollar amounts that can accommodate small businesses.

Loans made in the Tampa Bay assessment area showed a reasonable penetration among businesses of different sizes. Our analysis determined that 52% of the total number and 46% of the total dollar volume of sampled loans were made to small businesses. In comparison, economic data indicates 85% of all businesses operating within the assessment area are considered small businesses. Loan amounts ranged from \$599 thousand to \$3 million.

Loans made in the Gainesville MSA assessment area also showed a reasonable penetration among businesses of different sizes. Our analysis determined that 70% of the total number and 49% of the total dollar volume of sampled loans were made to small businesses. In comparison, economic data indicates 88% of all businesses operating within the MSA are considered small businesses. Loan amounts ranged from \$10 thousand to \$4 million.

❖ **Geographic Distribution of Loans - Exceeds the Standard for Satisfactory Performance**

The geographic distribution of loans reflects excellent dispersion throughout the assessment areas. For this analysis, we again used the sample of business loans originated within the assessment area. We noted the geographic location of the business or property purchased, depending on the purpose of the loan. For comparison, we reviewed economic data that shows the geographic location of businesses in each assessment area. FBNA also provided geographic data for all loans originated in 2000 and 2001. We incorporated this information into our

analysis as it provides a better picture of total lending patterns than our limited sample. In none of the analyses did we identify any conspicuous gaps in the bank's geographic lending pattern. The conclusions for each assessment area are summarized below.

The geographic distribution of loans in Duval County reflects an excellent dispersion throughout the assessment area. The dispersion shows particularly good penetration of low-income census tracts, based on the dollar volume of loans. Lending in low-income census tracts includes two community development loans totalling \$4.7 million. The loans were used for economic development of low-income areas targeted for revitalization by the City of Jacksonville.

<i>Geographic Distribution by # of Loans</i>			
Tract Category	OCC Analysis	Bank Data 2000-2001	Economic Data
<i>Low Income</i>	5.0%	2.9%	7.0%
<i>Moderate Income</i>	20.0%	18.5%	24.2%
<i>Middle/Upper Income</i>	<u>75.0%</u>	<u>78.6%</u>	<u>68.8%</u>
Total	100.0%	100.0%	100.00%

<i>Geographic Distribution by \$ Volume of Loans</i>			
Tract Category	OCC Analysis	Bank Data 2000-2001	Economic Data
<i>Low Income</i>	11.4%	13.0%	7.0%
<i>Moderate Income</i>	13.9%	17.9%	24.2%
<i>Middle/Upper Income</i>	<u>74.7%</u>	<u>69.1%</u>	<u>68.8%</u>
Total	100.0%	100.0%	100.0%

The geographic distribution of loans in the Tampa Bay area reflects a reasonable dispersion throughout the assessment area. It is the largest assessment area, covering 397 census tracts. The dispersion shows more than reasonable penetration of low-income census tracts. Lending in low- and moderate-income census tracts is enhanced by one community development loan totalling \$1.3 million to an affordable housing consortium. The funds were used to build affordable multi-family housing in low- and moderate-income geographies in the Tampa Bay area.

<i>Geographic Distribution by # of Loans</i>			
Tract Category	OCC Analysis	Bank Data 2000-2001	Economic Data
<i>Low Income</i>	0.00%	2.3%	1.4%
<i>Moderate Income</i>	14.3%	11.6%	23.4%
<i>Middle/Upper Income</i>	<u>85.7%</u>	<u>86.1%</u>	<u>75.2%</u>
Total	100.0%	100.0%	100.0%

<i>Geographic Distribution by \$ Volume of Loans</i>			
Tract Category	OCC Analysis	Bank Data 2000-2001	Economic Data
<i>Low Income</i>	0.00%	0.9%	1.4%
<i>Moderate Income</i>	22.8%	12.2%	23.4%
<i>Middle/Upper Income</i>	<u>77.2%</u>	<u>86.9%</u>	<u>75.2%</u>

Total	100.0%	100.0%	100.0%
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The geographic distribution of loans in the Gainesville MSA reflects an excellent dispersion throughout the assessment area. The dispersion particularly shows more than reasonable penetration of moderate-income census tracts, based on the dollar volume of loans.

Geographic Distribution by # of Loans			
Tract Category	OCC Bank Data Analysis	Bank Data 2000-2001	Economic Data
<i>Low Income</i>	0.0%	3.6%	7.0%
<i>Moderate Income</i>	20.0%	13.5%	31.6%
<i>Middle/Upper Income</i>	<u>80.0%</u>	<u>82.9%</u>	<u>61.4%</u>
Total	100.0%	100.0%	100.0%

Geographic Distribution by \$ Volume of Loans			
Tract Category	OCC Bank Data Analysis	Bank Data 2000-2001	Economic Data
<i>Low Income</i>	0.0%	1.3%	7.0%
<i>Moderate Income</i>	46.0%	21.4%	31.6%
<i>Middle/Upper Income</i>	<u>54.0%</u>	<u>77.3%</u>	<u>61.4%</u>
Total	100.0%	100.0%	100.0%

❖ Qualified Investments & Services

FBNA’s record of qualified investments and services during the evaluation period enhance credit availability in the assessment areas. The conclusions for each assessment area are discussed below.

Qualified investments and services in Duval County enhance credit availability and provide for affordable housing and small business development. Investments include \$440 thousand in Florida Housing Finance bonds, used to build an apartment complex in Duval County that requires a majority of the occupants be low- or moderate-income. Investments also include the purchase of \$509 thousand in mortgage-backed securities pooled from low- and moderate-income borrowers within Duval County. Monetary grants totalling \$4 thousand were also made to organizations in Duval County that provide affordable housing or small business development. Services include senior management and Board members of FLBK serving on the Board of the Duval County Housing Finance Authority, the Fresh Ministries and serving as workshop speakers and on the Finance Committee for the University of North Florida’s Small Business Resource Network in Jacksonville.

Qualified investments and services in Tampa Bay enhance credit availability and provide for affordable housing and small business development. Investments include \$500 thousand in Pinellas County Housing Finance bonds, used to build affordable, single-family housing in low- or moderate-income areas of Pinellas County. Investments also include the purchase of \$603 thousand in mortgage-backed securities pooled from low- and moderate-income borrowers in

Hillsborough, Pasco and Pinellas counties. Services include senior management and Board members serving on the Board of Neighborhood Lending Partners, Inc. and the Tampa Bay Black Business Investment Corporation.

Qualified investments and services in the Gainesville MSA enhance credit availability and provide for affordable housing and small business development. Monetary grants totalling \$2 thousand were made to organizations in Alachua County that provide small business development. Services that enhance credit availability include senior management and Board members of FLBK serving on the Board of the Neighborhood Housing & Development Corporation, an organization that serves Alachua and Marion counties.

Qualified investments in Fort Lauderdale enhance credit availability and provide for affordable housing. Investments include the purchase of \$304 thousand in mortgage-backed securities pooled from low- and moderate-income borrowers in Broward County.

❖ **Response to Complaints - Not Applicable**

We reviewed complaint records maintained by our agency and those maintained by the bank. There were no complaints made relative to the Community Reinvestment Act during this evaluation period.

COMPLIANCE WITH ANTIDISCRIMINATION LAWS

An analysis of the most recent public comments, consumer complaints and HMDA data was performed according to the OCC's risk-based fair lending approach. Based on analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 1998.